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## APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

### DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES PART 1: LINE ITEM DETAIL

2007 PA 117  
FY 2007-08  
Year-to-Date

#### Sec. 101 APPROPRIATION SUMMARY

1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	6.0
2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours per year.	230.0
3. <b><u>GROSS APPROPRIATION</u></b> - Total appropriations	<b>\$49,502,900</b>
4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	139,200
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	49,363,700
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	7,307,400
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	0
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	112,400
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	2,645,600
10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90.0% of the General Fund/General Purpose (GF/GP) revenue is derived from the income, business, insurance, sales, and use taxes.	39,298,300
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenue that will be allocated to local units of government.	11,536,300

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**Sec. 102 DEPARTMENT OPERATIONS**

1. <u>Unclassified salaries</u>	\$228,600
Unclassified FTE positions	6.0
This line supports the salaries of the Director and the State Librarian. Four positions are vacant.	
2. <u>Management services</u>	\$2,786,400
Classified FTE positions	31.0
This line includes funding for the overall administration of the Department. Divisions within this line include the Office of the Director, the Office of Human Resources, the Business Office, the Budget Office, the Communications Office, the Regulatory Affairs Office and the Cultural Economic Development Office.	
3. <u>Building occupancy charges and rent</u>	\$3,277,800
This line provides funding to support leases associated with the occupancy of State and privately owned buildings in which the Department occupies space. These leases are primarily in Lansing.	
4. <u>Worker's compensation</u>	\$9,000
Supports the Department's obligations for worker's compensation premiums and reserve funds.	
5. <u>Office of film and television services</u>	\$180,300
Classified FTE positions	1.0
The Michigan Film Office, established in 1979, is responsible for marketing Michigan to the movie, television, video, commercial, documentary, and print media. Services offered include location scouting, accommodations, equipment rental, recruiting for crews, union negotiations, local and State government coordination, and applications for permits.	
6. <u>Human resources optimization user charges</u>	\$16,500
This line provides funding for a statewide project to integrate payroll, personnel, and benefits transactions for all State employees. The project permits greater use of employee self-service accounts and shared human resources processing.	
<b>Unit Gross Appropriation</b>	<b>\$6,498,600</b>
State General Fund/General Purpose Revenue	6,498,600

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**Sec. 103 INFORMATION TECHNOLOGY**

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| 1. | <u>Information technology services and projects</u> | \$1,099,200 |
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This line supports the information technology services provided by the Department of Information Technology.

<b>Unit Gross Appropriation</b>	<b>\$1,099,200</b>
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State restricted revenue	47,000
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State General Fund/General Purpose Revenue	1,052,200
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**SEC. 104 COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

This is a 15-member Council appointed by the Governor for three-year terms.

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| 1. | <u>Administration</u> | \$434,400 |
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Classified FTE positions	5.0
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This line funds the administrative staff responsible for processing all grant applications, auditing recipients, creating grant program guidelines, conducting grant workshops, compiling and submitting all State reporting requirements, and providing staff support to the Council members.

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| 2. | <u>Arts and cultural grants</u> | \$7,754,000 |
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This grant program is primarily funded with GF/GP. These grants are awarded under 12 program categories. These categories are outlined below:

- A. Anchor Organization Program - Supports art institutions with regional significance. These grants are awarded on a three-year cycle.
- B. Arts Projects Program - Supports arts and cultural programming.
- C. Arts and Learning Program - Supports arts education activities in schools or communities.
- D. Artists in Residence for Education Program - Supports professional artists working within a K-12 school district, either through a nonprofit, in a school district or through a community organization.
- E. Arts Organizational Development Program - Supports small or mid-sized arts producing organizations.
- F. Capital Improvement Program - Supports capital improvements for expansion, renovation, construction, or acquisition of a cultural facility. Funding is awarded to a city, township, village, or county.
- G. Local Arts Agencies Services Program - Supports organizations that provide services to cultural organizations and individual artists.

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- H. Regional Regranting Program - Provides grants to various local organizations who are responsible for regranting these funds as mini-grants of up to \$4,000 to local artists or organizations.
- I. Rural Arts and Culture Projects - Supports projects in 39 counties that have been identified as rural and underserved. This program is coordinated by the Michigan State University Museum.
- J. Partnerships Program - Provides matching funds to organizations that provide services to arts and cultural groups with a focus on cultural economic development.
- K. Cultural and History Projects Program - Supports cultural projects that work to create sustainable cultural/heritage tourism at regional destinations.
- L. Historical Projects Program - Operated in conjunction with the Cultural Projects Program listed above.
- M. Discretionary Grants - Supports projects that are deemed Council priorities, unmet needs, or sudden opportunities.
- N. Cultural and Ethnic Heritage Centers and Museums - This category, to be offered at the discretion of the Arts Council, was created in FY 2006-07.

**Unit Gross Appropriation**

**\$8,188,400**

Federal Revenue

700,000

State General Fund/General Purpose Revenue

7,488,400

**SEC. 105 MACKINAC ISLAND STATE PARK COMMISSION**

This is a seven-member, Governor-appointed Commission created with a statutory requirement that one member be a resident of Mackinac Island and another of Mackinac City.

1. Mackinac Island park operation

\$1,544,100

Classified FTE positions

24.3

Funding is appropriated for the operation of all nonhistorical facilities and land on the island, in the city and the Old Mill Creek State Park. This includes forests, wetlands, roads and trails, public utility sites, recreational facilities, docks, beaches, nature centers, and the airport. The staff of the park administers leases, transportation licenses of all public horse carriages, and coordinates with municipalities for water, sewer and wastewater, the fire stations, cemeteries and local park. Staff is also responsible for the maintenance and upkeep of numerous historical buildings on the island, the city and in the Old Mill Creek State Park. Funding is also used for maintenance of the historical and archeological collections, interpretive exhibits, tours and demonstrations, a cable TV channel, transportation services including licensing of public horse-drawn transport, law enforcement, roads and trails for carriages, maintenance of the airport, restrooms and information centers, a nature center, a Scout Service Camp, the Governor's residence, and housing for employees and traveling Commission members.

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2. Historical facilities system

\$1,948,500

Classified FTE positions

14.7

Funding in this line is used to support the maintenance and upkeep of numerous historical buildings, monuments, and sites on the island, the city and in the Old Mill Creek State Park. This includes the historical and archeological collections, interpretive exhibits, tours and demonstrations. Funding for the historical facilities is generated by user fees generated at the sites as well as the income from the museum store, publications revenue, fund raising, memberships, and special events. Additional funding for acquisition, capital outlay projects and restoration is generated through the sale of gross revenue bonds that the Commission has the authority to issue.

**Unit Gross Appropriation**

**\$3,492,600**

Federal revenue

200,000

State Restricted Revenue

1,726,200

State General Fund/General Purpose Revenue

1,566,400

**SEC. 106 MICHIGAN HISTORICAL PROGRAM**

1. Federal programs

\$850,000

Classified FTE positions

12.0

This line funds the Historic Preservation Fund grant program. These grants are made available through funding from the U.S. Department of Interior, National Park Service. These grants are competitively awarded to certified local governments (CLGs) for surveys, nomination preparation, preparing local preservation plans, conducting feasibility studies for restoration, and education.

2. Heritage publications

\$700,000

This line funds the publishing and distribution of the *Michigan History* and *Michigan History for Kids* magazines. There are currently 30,000 paid subscribers.

3. Historical administration and services

\$5,812,800

Classified FTE positions

71.0

This line funds the major program components of the Michigan Historical Center. These components are:

A. Museum Section - This program funds the over 300,000 artifacts, the Michigan Historical Museum in Lansing, and eight field museums. These eight museums are:

- 1) The Michigan Iron Industry Museum in Negunee
- 2) The Father Marquette Museum in St. Ignace
- 3) The Fayette Historic Townsite in Garden
- 4) The Hartwick Pines Logging Museum in Grayling
- 5) The Civilian Conservation Corps Museum in Grayling

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<p>6) The Sanilac Petrograph in Bad Axe</p> <p>7) The Mann House in Concord</p> <p>8) The Walker Tavern in Cambridge Junction/Brooklyn</p>	
<p>B. State Archives - Preserves and makes available for research of State and local government records. Storage for some of these records is done at the State Archives. These records include photographs, maps, and cartographic materials.</p>	
<p>C. State Historic Preservation Office (SHPO) - This office administers the historic designation programs (National Register of Historic Places, Michigan Historical Marker Program, and the Michigan Centennial Farms Program), the historic preservation tax incentive program, public education programs, and ensures compliance with Federal regulations. The office also administers the Grants to Preserve Lighthouses, and the Michigan Freedom Trail Commission.</p>	
<p>D. Office of the State Archaeologist - Provides information on Michigan archeology and advises other State agencies about management of sites, approves permits for archaeological studies on State land, and works with the DNR and DEQ as part of the Michigan Underwater Salvage and Preserve Committee.</p>	
<p>E. Michigan Freedom Trail - \$25,000 is allocated in boilerplate Sec. 505 for this program to protect, preserve, and promote the Freedom Trail and the underground railroad in Michigan.</p>	
<p>F. Records Management - This unit assists State and local government in developing guidelines for records management, document imaging services, and provides document storage services for State agencies.</p>	
4.	<p><u>Private grants and gifts</u> <span style="float: right;">\$112,400</span></p> <p>This line provides spending authority for private funds that are donated for historic preservation and for expenditures from the Mann House Trust Fund. The Mann House was donated by the Mann sisters and is located in Concord, Michigan.</p>
5.	<p><u>Thunder Bay national marine sanctuary and underwater preserve</u> <span style="float: right;">\$202,000</span></p> <p>Funding is being used to match Federal dollars that are being made available for this underwater preserve off of the coast of Alpena.</p>
6.	<p><u>Michigan History Day</u> <span style="float: right;">\$25,000</span></p> <p>Funding is used to support an annual academic competition that is part of the National History Day network. Each district competes at the local level with finalists eligible to participate in the State final competition. Winners of the State competition go on to the National competition at the University of Maryland in June. Students enter under four categories: research paper, documentary, performance, and exhibit. Contestants must complete a project under the four categories based on a theme chosen each year at the National level.</p>
<b>Unit Gross Appropriation</b>	
<b>\$7,702,200</b>	
IDGs	
139,200	
Federal Revenue	
850,000	
Private Revenue	
112,400	

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State Restricted Revenue	921,000
State General Fund/General Purpose Revenue	5,815,100

**SEC. 107 LIBRARY OF MICHIGAN**

1. <u>Book distribution centers</u>	\$350,000
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This line supports funding for two book distribution centers, the Michigan Friends of Education in Livingston County and the Public Enrichment Foundation in Dickenson County. These centers are nonprofit organizations and were established to collect donated reading material from publishers and to distribute them to authorized recipients based on Federal guidelines. Eligible recipients include Adult Basic Education students, migrant and bilingual students, special education students, Big Brothers/Big Sisters, foster parent associations, veterans' homes and hospitals, community action agencies, sheltered workshops for the disabled, prison camps, substance abuse programs, homes for the abused, low-income senior citizens, impoverished families, and adult literacy students. This program has existed since 1982.

2. <u>Collected gifts and fees</u>	\$86,900
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This line includes spending authority to allow the Library to spend any fees or gifts of money they receive from private entities.

3. <u>Library of Michigan operations</u>	\$6,022,600
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Classified FTEs	71.0
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This line funds the operational divisions of the Library. They include:

- A. Statewide Resources and Services - This includes the Access Michigan program which makes available through the Internet authoritative information resources through local libraries, and the Michigan Electronic Library which is an online information system that provides residents of Michigan access to electronic resources over the Internet.
- B. Services for the Blind and Physically Handicapped - This program provides library services to blind and physically handicapped individuals and is part of the National program through the Library of Congress. Michigan is one of 57 regional library systems receiving Braille and recorded materials as part of the national program, for redistribution. Materials and playback machines are sent to subscribers and returned to libraries by postage-free mail. This program is coordinated through the 10 subregional libraries located throughout the State.
- C. Legislative and State Government Services - This unit is responsible for responding to all requests for information from legislative and State government employees. This unit is also responsible for collecting and maintaining all print and electronic resources.
- D. Special Collections Services - This unit collects and maintains unique holdings pertaining to the State's heritage including the Michigan Collection, Michigan Document Collection, Abrams Foundation Historical Collection of genealogy materials, Federal Documents Collection the Reference Collection. This unit makes this information available through computers provided for public use.

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<p>E. The State Law Library - This Library is a division of the Library of Michigan and is managed by and for residents of Michigan. This library collects and maintains materials pertaining to Federal and State law with emphasis on Michigan legal materials.</p> <p>F. Technical Services Division - This division includes the Acquisitions, Documents, Serials, Cataloging and Processing units, the Michigan Newspaper Project and the Rare Book Program. The division also ensures that these materials are made available on the Internet.</p> <p>G. Continuing Education for Library Development - This division provides training programs for library staff throughout the State.</p>	
4. <u>Library services and technology act</u>	\$5,557,400
<p>This is a Federal grant program that provides funding to local libraries for basic library technology, advanced technology projects, and improving library information services.</p>	
5. <u>State aid to libraries</u>	\$10,000,000
<p>This grant program was created by the Legislature in PA 89 of 1977 which outlined the distribution for these funds. There are five grant programs outlined in the statute which provide funding to local libraries. Statutory funding amounts are prorated based on the appropriation available. The programs include:</p> <p>A. Cooperative Library Grants - Provides a \$0.50 per-capita grant to cooperative libraries as defined in the act. Cooperative libraries are defined as a library or service center designated by a cooperative board to perform services established by the cooperative plan and provided by public libraries in the cooperative. These services include book rotations, bookmobile services, centralized purchasing and/or cataloging, and delivery service.</p> <p>B. Public Libraries - This grant program provides public libraries meeting certain requirements, a \$0.50 per-capita grant (prorated, if necessary).</p> <p>C. Public Libraries Belonging to Cooperative Libraries - Provides an additional \$0.50 per capita to local libraries belonging to a cooperative library to pay for cooperative services.</p> <p>D. Cooperative Library Density Grants - Provides \$10 per square mile, prorated if necessary, for the area served by a public library cooperative, if the area has fewer than 75 people per square mile.</p> <p>E. County Salary Grants - Provides reimbursement for the head librarians' salary to those libraries located within a county that serves a population of 50,000 or less. Each grant is capped at \$4,800 per year.</p>	
6. <u>Subregional state aid</u>	\$505,000
<p>These funds are provided to the 11 subregional libraries and one regional library (Library of Michigan) that service the Blind and the Physically handicapped.</p>	
<b>Unit Gross Appropriation</b>	<b>\$22,521,900</b>
Federal Revenue	5,557,400
State Restricted Revenue	86,900
State General Fund/General Purpose Revenue	16,877,600



**DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**  
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Section Number	Description and History
201	<p><b><u>Total State Spending in Part 1.</u></b> Total State spending and payments to local reporting section for appropriation made in Part 1.</p> <p><b>Background:</b> This section states the total State spending from State resources in this bill and lists the total payments to local units of government. This is a standard boilerplate section contained in all appropriation bills pursuant to 1984 PA 431.</p>
202	<p><b><u>Management and Budget Act.</u></b> States that appropriations authorized under this Act are subject to the Management and Budget Act.</p> <p><b>Background:</b> This is a standard section contained in all appropriations bills.</p>
203	<p><b><u>Definitions.</u></b> Definitions and acronyms contained in the Act.</p> <p><b>Background:</b> This is a standard section contained in all appropriation bills.</p>
204	<p><b><u>Civil Service 1% Charges.</u></b> Provides method for Department of Civil Services to bill departments for 1.0% charges authorized by Article XI, Section 5, of the Michigan Constitution. The total amount billed is to be paid by the end of the second quarter (March 31).</p> <p><b>Background:</b> This language was first included in appropriation bills in FY 1995-96. This section was proposed by the Administration to clarify the timing of payments under this section.</p>
205	<p><b><u>Hiring Freeze.</u></b> Imposes a hiring freeze and provides for exceptions. Provides for a quarterly report to the chairs of the appropriations committees regarding exceptions to the freeze. Exceptions are limited to: inability to perform basic services, loss of revenue, inability to receive Federal funds, or resulting costs exceeding savings from maintaining a vacancy.</p> <p><b>Background:</b> First included in appropriations bills in FY 1991-92. This is standard language in all appropriation bills that contain funding for classified employees. This hiring freeze policy was initiated with Executive Directive 1991-14.</p>
207	<p><b><u>Privatization Authorization.</u></b> Requires the Department to submit a complete project plan to appropriate House and Senate appropriation subcommittees and fiscal agencies 60 days prior to beginning any privatization efforts. The completed evaluations are to be submitted within 30 months.</p> <p><b>Background:</b> First included in FY 1998-99.</p>
208	<p><b><u>Internet Reporting.</u></b> In all instances where it is not otherwise required, the Department is to use the Internet to fulfill reporting requirements of this Act. Requires a quarterly to the subcommittees, the State budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the most recent three-month period along with the Internet site of each report.</p> <p><b>Background:</b> This language was first included in FY 1999-2000.</p>
209	<p><b><u>Buy American.</u></b> Prohibits the use of funds for purchase of foreign goods or services if competitively priced American goods or services are available. The language also includes preferences for Michigan-based businesses and Michigan businesses owned and operated by veterans.</p> <p><b>Background:</b> This language was first put in the appropriations bill in FY 1992-93. It is standard in most appropriations bills.</p>

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Section Number	Description and History
210	<p><b><u>Report on Policy Impact.</u></b> Requires the Department to report on specific policy changes made to implement a public act that took effect during the prior calendar year. Additionally, the language prohibits the use of funds to adopt a rule that will have a disproportionate economic impact on small businesses if the Department fails to reduce the impact.</p> <p><b>Background:</b> This is the first year this language appears in the bill. This is standard language that appears in most budget bills.</p>
211	<p><b><u>Affirmative Action Programs.</u></b> Requires the Department to establish and maintain affirmative action programs based on guidelines developed by the State Equal Opportunity Workforce Planning Council and in compliance with Section 26 of Article I of the State Constitution of 1963 in order to receive GF/GP funding.</p> <p><b>Background:</b> This is standard boilerplate language in most appropriation bills. Language referring to compliance with the Constitution was added for FY 2007-08.</p>
213	<p><b><u>Information Technology User Fees.</u></b> Provides that the Department shall pay user fees to the Department of Information Technology (DIT) for technology-related services and projects pursuant to interagency agreements.</p> <p><b>Background:</b> This language was added in FY 2003-04 as standard language in all appropriation bills. The Department budget includes the appropriation for information technology costs and it is identified in the Department of Information Technology (DIT) budget as an interdepartmental grant from user fees.</p>
214	<p><b><u>IT Work Projects.</u></b> Allows for the funding appropriated for information technology to be designated as a work project by the Director of DIT.</p> <p><b>Background:</b> This language was first added in FY 2003-04.</p>
215	<p><b><u>Fees for Services.</u></b> Permits the Department to enter into agreements to provide services and charge fees to State agencies, local units of government, other organizations and individuals. A wide variety of possible services is listed including training, equipment software, facility use, supplying census data and analysis, and copying. The revenue from any fees is deposited in the History, Arts, and Libraries Fund. The Department also can accept grants, gifts, and bequests.</p> <p><b>Background:</b> Added in FY 2003-04 to maintain revolving fund to cover costs associated with the Records Center. Expanded in FY 2006-07 to include application fees and gifts, grants, and bequests.</p>
216	<p><b><u>History, Arts, and Libraries Fund.</u></b> This Fund receives and expends funds raised from providing services. The funds may be carried forward from year to year. The Department is required to report on the Fund and its estimated FY 2005-06 closing balance by November 1, 2006.</p> <p><b>Background:</b> This section was added for FY 2005-06.</p>
217	<p><b><u>Limit on Travel.</u></b> Due to budget constraints, out-of-state travel for FY 2006-07 is limited to specific listed situations, for example, travel for law enforcement purposes, travel to comply with Federal requirements, or travel for specialized training not available in Michigan.</p> <p><b>Background:</b> FY 2004-05 was the first year this language was included.</p>

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218	<p><b><u>Supplemental Funding.</u></b> The section states legislative intent to research additional funding options for the Department.</p> <p><b>Background:</b> This language was inserted in the FY 2004-05 budget bill due to legislative concerns about reduced funding for arts grants and the line item for State aid to libraries. The language was added during Senate subcommittee proceedings.</p>
219	<p><b><u>Limit on Employee Discipline.</u></b> Prohibits the Department from taking disciplinary action against an employee for communicating with a member of the Legislature or his or her staff.</p> <p><b>Background:</b> This language was added for FY 2005-06.</p>
220	<p><b><u>Michigan Film Advisory Commission Minutes.</u></b> Requires Internet publication of the proposed minutes of the Commission within eight business days of the meeting. Also requires approved minutes to be posted within eight business days after approval.</p> <p><b>Background:</b> This language was added for FY 2005-06.</p>
222	<p><b><u>Deprived and Depressed Communities.</u></b> Requires the Department director to take all reasonable steps to ensure businesses in these communities compete for and perform State contracts.</p> <p><b>Background:</b> This language was first put in the appropriations bill in FY 1991-92. It is standard in most appropriation bills.</p>
223	<p><b><u>Legal Services.</u></b> Prohibits the Department from firing anyone to provide legal services that are the responsibility of the Attorney General. This prohibition does not include services for bonding, or those activities authorized by the Attorney General.</p> <p><b>Background:</b> This is the first year this language appears in the bill. This is standard language included in most appropriation acts.</p>
224	<p><b><u>Michigan After-School Partnership.</u></b> Requires the Department to collaborate with the State Board of Education, the Department of Human Services, the Department of Community Health and the Department of Labor and Economic Growth to extend the efforts of this partnership and to implement the policy recommendations included in the Michigan After-School Initiative report of December 15, 2003. In addition, the Department may allocate \$25,000 to support this partnership and to leverage other sources of funding to build and sustain out-of-school-time programs.</p> <p><b>Background:</b> This is the first year this language appears in the bill. This language is included in the above-mentioned Department's budgets.</p>
226	<p><b><u>Contingency Fund Language.</u></b> This language allows the Department to receive and expend additional Federal, restricted, private or local sources of funding. These funds are available for expenditure after they have been transferred to another line item consistent with the DMB Act.</p> <p><b>Background:</b> This language is standard language in most appropriation acts.</p>
227	<p><b><u>Continuous Improvement Efficiency Mechanisms.</u></b> Requires the Department to implement these mechanisms in the programs the Department administers. These mechanisms shall identify the changes made to increase efficiency and reduce expenditures. The language also requires the Department to submit a report on the progress made toward increased efficiencies in the Department's programs.</p> <p><b>Background:</b> This is the first year this language appears in the bill. This is standard language included in most appropriation acts.</p>

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**MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

- 401      **Arts and Cultural Grants.** The Michigan Council for Arts and Cultural Affairs administers the arts and cultural grant program. This section states the requirements for awarding grants including use of published criteria, specific goals and outcomes for programs with quantifiable measures of success. The Council also is directed to award grants to the extent possible on an equitable geographic basis.
- To receive a grant, recipients must meet the published regulations and procedures established by MCACA. These regulations include:
- a) Artistic merit and excellence will be the criteria for judging applications including consideration of general standards of decency and respect for the diverse beliefs and values of the citizens of the State.
  - b) Criteria shall clearly indicate that obscenity is without artistic merit, is not protected speech, and will not be funded by a grant from this appropriation.
- The language also requires the Council to provide oversight of the regional regranteeing program to ensure fair distribution of funds; to provides support to organizations transitioning from volunteer based to professionally directed operations; and requires the Department to withhold undistributed grant payments from any grant recipient who violates the requirements for funding and may disqualify that recipient from future awards up to three years.
- Background:** The Arts and Cultural Grant Program originated in PA 159 of 1995 and has been frequently amended. The criteria were updated in FY 2007-08 in response to a court case regarding the withholding of funding for certain art projects/events. The three-year suspension of award eligibility was added in FY 2006-07.
- 402      **Arts and Cultural Grant Categories.** The Michigan Council for Arts and Cultural Affairs is permitted to award grants in the following categories: Anchor organizations, arts projects program, arts and learning program, artists in residence for education program, arts organization development program, capital improvement program, local arts agencies service program, regional regranteeing program, partnership program, rural arts and cultural program, cultural projects program, historical society projects program, discretionary grants program, and cultural and ethnic heritage centers and museums.
- Background:** In FY 2006-07 the category for cultural and ethnic heritage centers was added. In FY 2007-08 "historical projects program" was changed to "historical society projects program."
- 403      **Limitations on Grants.** No single organization can receive more than 15.0% of the funding for Arts and Cultural Grants. For anchor organizations, the language directs the Council to attempt to keep grants to anchor organization at a level less than 70.0% of the total funds available and prohibits a grant that would supply more than 15.0% of the anchor organization's unrestricted revenue. All grantees must enter into a grant agreement with the Department that specifies the prohibited activities and the possible penalties.
- Background:** The maximum percentage of funds that can be awarded to one grantee was added in FY 2004-05 and set at 18.0% for that year with intent language that it would decline by one percentage point per year until it reached 15.0% in FY 2007-08.
- 404      **Arts and Cultural Grants Application Procedures.** Applicants must pay a nonrefundable application fee equal to the lesser of \$300.00 or 3.0% of the grant amount requested. Applicants also must submit a financial statement and demonstrate matching funds or services to match the grant amount at a minimum rate of dollar for dollar.

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**Background:** The application fee was raised from \$100.00 or 1.0% to the current level in FY 2003-04.

405 **Arts and Cultural Grants Recipient Reporting Procedures.** Recipients of arts grants are required to submit the following reports:

- By the end of the award period, proof that matching funds were provided.
- Within 30 days of the end of the award period, information on revenue, expenditures, patrons served and a summary of the program outcomes.
- For grantees receiving over \$100,000, an interim report must be submitted by April 7 of each year.

**Background:** These procedures were added in FY 1994-95 and have been amended multiple times since then.

406 **Arts and Cultural Grants Reports to Legislature.** The Department is required to report the following:

- Arts grant recipients by county to legislators within one day of the announcement.
- Within 30 days of the announcement of grant awards, the Department is required to make a more detailed report of applicants, funds requested and funds granted.
- Annually at the time which grant applications are made available for the subsequent fiscal year, the Department must report the guidelines for awarding grants, program goals, outcomes measures, a summary of changes from the preceding year, and plans for improvement.
- Annually by August 1, the Department shall report the unexpended and unencumbered funds available for discretionary grants.
- Ten days notice to the appropriations subcommittee chairs is required prior to any redistribution of grant funds during the fiscal year.

**Background:** Many of these reports were added in FY 1994-95. This section has been amended multiple times since then.

**MICHIGAN HISTORICAL PROGRAM**

501 **Historic Preservation Grants.** Allows the funding appropriated for these Federal grants to be placed into work project accounts, prohibiting them from lapsing back to the General Fund. Total cost of this project is \$85,000 with a tentative completion date of September 30, 2008.

**Background:** This is a 60-40 matching Federal grant program. Grant recipients may use local, private or State funds as a match. This is a longstanding piece of boilerplate.

502 **Revolving Funds.** Allows the Department to expend any funds collected under the Michigan Heritage Publications Fund and the Museum Operations Fund. These funds are collected through the sale of publications or profits on the sale of goods in the Museum store. Revenue from these sales is used to support operation and education programs within the Museum.

**Background:** Revenue is generated through the sale of the "Michigan History" magazine.

503 **Exemption from DMB Act.** Exempts the Museum store from the requirement that DMB provide the services necessary for all purchasing, contracting, and provision of supplies.

**Background:** The museum is limited by the competitive bid process from bidding on certain items that would be sold in the stores, such as artwork. This section exempts them from this requirement.

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**2007 PA 117**

Section Number	Description and History
505	<p><b><u>Michigan Freedom Trail Commission.</u></b> Allocates \$25,000 from the Historical Administration and Services for the operation of this Commission as specified in the Act, PA 409 of 1998. These funds are used to support administrative costs and the salary of a part-time employee.</p> <p><b>Background:</b> The Freedom Trail is part of the Underground Railroad that ran through the State. Maintenance services are contracted.</p>
506	<p><b><u>Proceeds From Sale of Artifacts.</u></b> Allows the proceeds from the sale of artifacts to be appropriated and may be used to expand the collection for the Historical Museum. Requires the Department to notify the subcommittee members one week prior to any sale.</p> <p><b>Background:</b> This language was added in FY 2003-04 and provides the Department the flexibility to sell these items and expand the collection when certain items are considered no longer suitable for the collection.</p>
507	<p><b><u>Michigan History Magazine Subscriber List.</u></b> Allows the Department to make this list available at a cost consist with mailing expenses, unless otherwise prohibited by law.</p> <p><b>Background:</b> This language was added in FY 2003-04 and allows local historical societies access to this list to notify a statewide audience of a local historical event.</p>
<b>LIBRARY OF MICHIGAN</b>	
601	<p><b><u>Subregional State Aid and Local Support.</u></b> Restricts the expenditure of these funds by requiring the local government to expend the same amount as the previous fiscal year for subregional library services and describing requirements for demonstrating that maintenance of effort .</p> <p><b>Background:</b> Similar to requirement for State Aid to Public Libraries pursuant to Public Act 89 of 1977. There is no authorizing statute, other than the appropriations bill for Subregional State Aid grants. This first appropriation for these grants was in FY 1983-84. There are 11 subregional recipients and one regional recipient.</p>
602	<p><b><u>Subregional Library Funding.</u></b> Prohibits the expenditure of these funds until the budget for each recipient library has been approved by the Department to ensure that funding is being used to support services provided to the blind and disabled populations.</p> <p><b>Background:</b> This language was added when the grant program was created in the mid-1980s.</p>
607	<p><b><u>Book Distribution Centers.</u></b> Requires that the funding appropriated in part 1 be allocated with equally between the Public Enrichment Foundation and the Michigan Friends of Education.</p> <p><b>Background:</b> This language was added in FY 2003-04. This line item received an increase of \$10,200 in FY 2003-04 from the previous year, bringing it from \$297,300 to \$307,500. It was increased to \$327,500 in FY 2004-05 and to \$350,000 in FY 2005-06, providing \$175,000 to each organization. Funding continues at \$350,000 in FY 2007-08.</p>
<b><u>MACKINAC ISLAND STATE PARK COMMISSION</u></b>	
701	<p><b><u>Infrastructure Improvement Appropriation.</u></b> Appropriates \$200,000 from the State Park Operations Fees Fund to the State Park Commission, Historic Projects Division, Revenue Bond Fund for infrastructure improvements on the Island.</p> <p><b>Background:</b> This is the first year this language appears in the bill.</p>